

authorized incentives for certain owners of HUD-insured projects not to prepay their mortgages and keep their units affordable for low-income tenants. Owners of some 400,000 rental units are, or soon will be, eligible to apply for these financial incentives, including equity take-out loans. In these cases, the Government will pay increased section 8 assistance to owners to cover the cost of the incentives. The HUD IG Susan Gaffney recently identified this program as a "rip-off" to the American taxpayer. In fact, the costs for these additional subsidies will run into the billions of dollars.

As I have indicated these are issues that require congressional attention and responsible action. It took decades of neglect, through many Congresses and several administrations, both Democratic and Republican, to create a problem of this enormous magnitude and complexity. HUD cannot be fixed overnight, or by simply passing a law with the word "reform" in its title. I stress that we need to redirect Federal housing and community development policy from Federal micromanagement to the consolidation of programs with an emphasis on State and local decisionmaking.

We need to get away from the one-size-fits-all mentality and provide flexibility at the State and local level—we need to do this by making housing more affordable through approaches such as public-private partnerships, employment incentives for low-income families, mixed income projects, and the demolition of substandard housing where the demolition makes sense.

Mr. President, I raise these issues now because it is important that all of my colleagues and those in the administration and those who are concerned about housing focus on the difficult problems we face and help us develop the drastic solutions that we need to continue our commitment to housing, yet to do so without bankrupting the budget or taking away from other very needed programs.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Texas is recognized to speak for up to 10 minutes.

UNFUNDED MANDATES

Mrs. HUTCHISON. Mr. President, last week the Senate approved landmark legislation to protect States and communities from unfunded Federal mandates, and yesterday, the House followed suit. When the President signs this legislation, we will witness a sea

change in the relationship among Federal, State, and local government.

Let me remind my colleagues, however, that when we consider the staggering load of unfunded mandates the Federal Government imposes on State and local governments, southern border States such as Texas bear a huge share of the burden.

Last year, I asked Congress to allocate \$350 million to the affected States for incarcerating illegal alien felons. Congress took a significant step in rectifying this situation when it appropriated \$130 million for the purpose. This was the first time in history the Federal Government has ever acknowledged its fiscal obligation to States directly impacted by Federal policies—and failures.

But that appropriation was merely an initial installment on what is actually a huge, crippling debt incurred by the Federal Government.

This year I am calling on President Clinton to include that \$350 million allocation in his budget proposal—to move closer toward Federal acknowledgment of the true magnitude of the costs of illegal immigration to this country.

Illegal aliens, who enter our States and take up permanent, unlawful residence, are there as a result of the Federal Government's failure to carry out one of its most important functions—the securing of our borders. Texas, California, Arizona, New Mexico, and even Florida, absorb the brunt of these costs.

My State and others similarly affected are required by Federal law and Federal courts to pay for incarcerating illegals who commit crimes and also for the costs of education, welfare, medical services, and a host of other government-funded programs serving illegal aliens.

The Federal Government underwrites very little of these expenditures. But under the threat of penalty imposed by Federal law State and local taxpayers are coerced into footing the bill.

Texas, alone, must spend more than \$60 million a year to keep illegal alien felons in prison—California nearly \$400 million.

Texas also spends more than \$60 million annually on unreimbursed Medicaid services to illegal aliens.

Texas like other States—is experiencing a seemingly insoluble school funding crisis, due in part to the presence of illegal alien children which the Federal courts have ruled must be educated.

In several Texas school districts, close to 50 percent of the students enrolled are the children of illegal aliens. In some cases, children cross the border from Mexico every day to attend school in Texas.

In La Joya, a small lower Rio Grande Valley town near Brownsville, a third of the school district's enrollment comes from Mexico. Yet school officials are forbidden to ask students for proof of residency—in their school district.

A study by Rice University in Houston estimates that Texas pays, all told, \$1.4 billion a year to provide federally mandated services to illegal immigrants.

This is \$1.4 billion a year we do not have, or, if we did, could be put to better use for Texas taxpayers.

For instance, that \$1.4 billion would more than make up for the funding shortfall in Texas schools.

The situation has become intolerable—and resulted unfortunately in a backlash against all immigrants such as we witnessed in California during the debate over proposition 187. I am thankful the situation in Texas has not yet reached this point.

But the unfunded mandates situation has reached the crisis stage in its impact on our State and local budgets.

To put it plainly, the Federal Government is shifting the responsibility for these mandated expenditures onto the backs of Texas taxpayers. Texans are being forced to provide social benefits to individuals who have broken our laws, jumping ahead of those who play by the rules—while the Federal Government looks the other way. Illegal immigrants ought not be entitled to State taxpayers' money for simply crossing the border—and breaking our laws in the process.

In the past, I have supported the assignment of more Border Patrol agents to make our border areas more secure. The immigration reform bill I introduced in the 103d Congress would have put 6,000 more agents in the field to stop this flagrant and habitual violation of U.S. law.

Now my colleague, Senator GRAMM, has introduced another illegal immigration bill which would put even more new agents on the border, realizing that we are going to have to get serious about stopping the influx of people who are illegal into our country.

One of the reasons I am a strong advocate of the unfunded mandate legislation is that it will enforce a kind of truth-in-lawmaking we have not seen in Washington for decades—putting a clear price tag on programs and policies when they are foisted onto the States.

This correction in our country's course is long overdue.

THE BALANCED BUDGET AMENDMENT

Mrs. HUTCHISON. Mr. President, we have seen the debate this week in the Senate on the balanced budget amendment.

I am very pleased that the House of Representatives has taken this step already, and now it is up to the Senate to decide if Americans finally will have the opportunity for their legislatures to vote to adopt a very important amendment to our Constitution. It is